

**Introduced by Senator Machado**

February 24, 2006

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An act to amend Section 770 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1685, as introduced, Machado. Insurance.

Existing law prohibits a person engaged in the business of financing the purchase of, or of lending money on the security of, real or personal property from conditioning the financing, loan, or the renewal or extension of a loan on negotiating insurance through a particular insurance agent or broker.

This bill would also prohibit a person from conditioning the financing, loan, or the renewal or extension of a loan on negotiating insurance through a particular insurance solicitor.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 770 of the Insurance Code is amended  
2     to read:  
3     770. No person engaged in the business of financing the  
4     purchase of real or personal property or of lending money on the  
5     security of real or personal property and no trustee, director,  
6     officer, agent or other employee, or affiliate of, any such person  
7     shall require, as a condition precedent to financing the purchase  
8     of such property or to loaning money upon the security thereof,  
9     or as a condition prerequisite for the renewal or extension of any  
10    such loan or for the performance of any other act in connection

1 therewith, that the person for whom such purchase is to be  
2 financed or to whom the money is to be loaned or for whom such  
3 extension, renewal or other act is to be granted or performed  
4 negotiate any insurance or renewal thereof covering such  
5 property through a particular insurance agent ~~or~~, *insurance*  
6 broker, *or insurance solicitor*.

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